

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 286**

Minutes of Board of Directors Meeting  
September 3, 2019

ACTIONS TAKEN

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1. The Board approved the minutes of the August 5, 2019 meeting.
  2. The Board approved the Tax Assessor-Collector's Report as presented by Utility Tax Service L.L.C., including the checks presented for payment.
  3. The Board authorized the District's Tax Assessor/Collector to publish notice of a public hearing on the adoption of a proposed 2019 maintenance and operations tax of \$0.125 per \$100 of valuation to be held at the District's next regular meeting.
  4. The Board confirmed the engagement of Roth & Eyring, PLLC to prepare the District's audit report for the fiscal year ending September 30, 2019.
  5. The Board approved the Operations and Maintenance Report presented by EDP.
  6. The Board approved Pay Estimate No. 4 from T&C Construction, Ltd. in the amount of \$112,860 for the lift station rehabilitation project.
  7. The Board approved the Engineering Report presented by Eby Engineers, Inc.
  8. The Board approved the Bookkeeper's Report as presented by Claudia Redden & Associates, L.L.C., including the checks presented for payment.
  9. The Board approved the proposed Operating Budget for the fiscal year ending in 2020 as presented by Claudia Redden & Associates, L.L.C.
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The Board of Harris County Municipal Utility District No. 286 ("District") met in regular session at 12779 Jones Road, Houston, Harris County, Texas 77070 on September 3, 2019, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of said Board of Directors, as follows:

David Geaslen, President  
Michael Rhodes, Vice President  
Steve Garner, Secretary  
Rosalind Theriot, Assistant Secretary  
Becky Campbell, Assistant Secretary

All of said persons were present, therefore constituting a quorum.

Also present were Deputy Wright and Corporal Curry of the Harris County Constable's Office, Precinct No. 4 ("HCCO"); Claudia Redden of Claudia Redden & Associates L.L.C.; Dennis Eby of Eby Engineers, Inc. ("Eby"); Eric Thiry and Jeff Cotton of Environmental Development Partners, L.L.C. ("EDP"); Lisa Sustaita of Utility Tax Service, L.L.C. ("UTS"); Todd Thomas of GC Multi-Family Development, L.L.C. ("GC"); Ed Jones and Bill Mattingly of HP; Mark Sappington of Sappington Engineering; John Roberts, JLL representative for HPE; and Kara Richardson of Marks Richardson PC ("MRPC").

The President called the meeting to order.

#### **APPROVAL OF MINUTES**

The Board first considered approval of the minutes of the Board of Directors meeting held on August 5, 2019. After discussion, Director Rhodes made a motion to approve the minutes of the August 5, 2019, Board of Directors meeting, as presented. Director Theriot seconded the motion, which carried unanimously.

#### **SECURITY PATROL REPORT BY THE CONSTABLE'S OFFICE**

The Board next considered the Security Patrol Report, a copy of which is attached hereto as (**Exhibit A**), and the status of security monitoring services within the District. Deputy Wright reviewed the report and discussed the activity within the District over the past month. He stated that there was a burglary of a motor vehicle at the Springhill Suites within the District. Deputy Wright stated that the National Night Out event will be held on October 1, 2019 and that the HCCO can provide K-9s and patrol vehicles for the event. Director Theriot stated that she previously contacted the HCCO regarding their attendance at the event and requested that they arrive at 5:30 p.m.

Deputy Wright and Corporal Curry exited the meeting at this time.

The Board next considered the status of security monitoring services. Director Rhodes stated that there had been no issues at the park.

## **COMMENTS FROM THE PUBLIC**

The Board deferred comments from the public, as no members of the public were present.

## **DISCUSSION REGARDING GARBAGE COLLECTION SERVICES**

The Board next considered garbage collection services provided by Residential Recycling & Refuse of Texas, Inc. (“RRRT”). The Board discussed the continuing issues with garbage collection. Director Theriot stated that RRRT recently missed garbage collection at Director Rhodes’ residence. Ms. Richardson then presented the attached proposals for garbage collection services from Best Trash, Texas Pride and Direct Waste, including a summary chart of rates for garbage and recycling collection, copies attached hereto as (**Exhibit B**). The Board deferred taking action on the matter until next month’s meeting.

## **DEVELOPERS' REPORTS**

The Board next considered the status of development in the District. Mr. Thomas reviewed correspondence from GC Multi-Family Development, LLC dated August 8, 2019 regarding a water and wastewater capacity request for 13.94 acres out of Chasewood Technology Park, Section Two, attached hereto as (**Exhibit C**). He stated that GC is looking to develop a multi-family development on the vacant 13.94 acre tract. Mr. Eby stated that he received the request but has not yet reviewed same. He stated that a deposit will need to be received from GC in order to review the plans for the development. Mr. Thomas stated that the drainage study was approved by Harris County and that GC is currently working on the plans and specifications with Dannenbaum Engineering.

Mr. Eby next reported that he met with Mr. Thiry and representatives of HP at the lift station. He stated that he received more information from HP last week regarding its plans to separate the properties and utilities but has not yet reviewed same. Mr. Eby stated that HP needs to submit a deposit of \$5,000 for the assessment and that he will send an invoice to HP for same. He stated that he anticipates having an assessment report ready for next month’s meeting. Mr. Sappington stated that SE is investigating options for the HP campus and property. He stated that HP is in the process of separating the Compaq Center building (“CCM3”) and would like to obtain a new tap from the twelve-inch (12”) water line on the southside of Compaq Center Drive. Mr. Eby stated that he can include an analysis regarding same in his assessment report. Mr. Sappington stated that he may need a “will-serve” letter advising of available capacity in the near future for any potential buyer. Mr. Roberts, Mr. Sappington, Mr. Mattingly, Mr. Jones and Mr. Eby then discussed various issues relating to separation of the property as a separately-owned piece of property.

Mr. Jones, Mr. Roberts and Mr. Mattingly exited the meeting at this time.

## **TAX ASSESSOR-COLLECTOR REPORT**

The Board next considered the Tax Assessor-Collector Report. Ms. Sustaita presented the attached Tax Assessor-Collector Report (**Exhibit D**) dated August 31, 2019. The Board reviewed

the total receivables, the cash balance, disbursements, and checks as reflected in the report. After discussion of the report, Director Theriot made a motion to approve the Tax Assessor-Collector Report as presented and to approve the checks identified in the report for payment. Director Rhodes seconded the motion, which carried unanimously.

Ms. Richardson next presented the attached list of delinquent accounts, dated September 2, 2019, as prepared by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P. (**Exhibit E**).

### **2019 TAX RATE RECOMMENDATION**

The Board next received the Financial Advisor's recommendation concerning the establishment of the District's 2019 tax rate. Ms. Richardson distributed and reviewed financial schedules received from RBC Capital Markets ("RBC") (**Exhibit F**), and advised that RBC recommends that the District levy a 2019 maintenance and operations tax of \$0.125 per \$100 of valuation. After discussion, Director Theriot made a motion to authorize the District's Tax Assessor/Collector to publish notice of a public hearing on the adoption of a proposed 2019 maintenance and operations tax of \$0.125 per \$100 of valuation to be held at the District's next regular meeting. Director Rhodes seconded the motion, which carried unanimously.

### **CONFIRM ENGAGEMENT OF AUDITOR**

The Board next considered confirming the engagement of an auditor for the fiscal year ended September 30, 2019. Ms. Richardson reminded the Board that the District engaged Roth & Eyring, PLLC last year to prepare the audit report for two years, and she presented the second-year engagement letter for execution. After discussion, Director Rhodes made a motion to confirm the engagement of Roth & Eyring, PLLC to prepare the District's audit report for the fiscal year ending September 30, 2019, and to authorize the President to execute the second-year engagement letter on behalf of the Board and the District. Director Theriot seconded the motion, which carried unanimously.

### **OPERATIONS REPORT**

The Board next considered the Operations and Maintenance Report (**Exhibit G**). Mr. Thirty reported the following: 1) the mitigation work at lift station no. 3 is complete, 2) EDP is soliciting bids to replace the step up transformer, transfer switch and booster pump motors at Water Plant No. 1, 3) EDP has completed the fire hydrant repairs and painting is scheduled for next week, 4) ground storage tank no. 1 at the Water Plant is being removed from service in preparation for painting, and 5) booster pump no. 1 at the Water Plant has been pulled for inspection and repairs due to a leaking mechanical seal.

Mr. Thirty next presented and reviewed the Water Well No. 2 performance test report, attached to the operations and maintenance report. He stated that no problems were found during the inspection. Director Geaslen asked how the report compares to previous years. Mr. Thirty stated that the report shows that the water table is as high as it has ever been.

After discussion, Director Theriot made a motion to approve the Operations and Maintenance Report, as presented. Director Garner seconded the motion, which carried unanimously.

### **IMPROVEMENTS AND PAINTING AT WATER PLANT NO. 1**

The Board next considered the status of the construction contract with CFG Industries (“CFG”) for improvements and painting at Water Plant No. 1. He stated that the construction crews have moved on-site and should begin work this week. Mr. Eby stated that one tank will be taken down at a time and will be an approximately five (5) to six (6) month project. He then asked what color the Board would like to paint Water Plant. Mr. Eby recommended painting the tank a beige or tan color as it will not show as much dirt. Director Geaslen suggested leaving the Water Plant the green color that it is currently. Director Campbell agreed with Mr. Eby’s recommendation. After discussion, the Board concurred to paint the Water Plant No. 1 the current green color.

### **IMPROVEMENTS AND FLOOD MITIGATION AT THE WWTP**

The Board next considered the status of the construction contract with R&B Group Inc. (“R&B”) for improvements and flood mitigation at the WWTP. Mr. Eby stated that the project is behind schedule and that Eby is still reviewing submittals. He stated that R&B anticipates moving on site this week.

### **ENGINEERING REPORT**

The Board next considered the Engineering Report (**Exhibit H**).

Mr. Eby reported on the status of the lift station rehabilitation project. He stated that the project is seventy-five percent (75%) complete. Mr. Eby presented Pay Application No. 4 in the amount of \$112,860.00 and recommended that the Board approve payment of same. After discussion, Director Garner made a motion to approve payment of Pay Application No. 4, as set out above. Director Rhodes seconded the motion, which carried unanimously.

Mr. Eby reported on the monthly inspection and maintenance of the flare by Patriot Production (“Patriot”) and stated that a report was not received for this month.

Mr. Eby next reported on the pressure washing and staining of the gazebo at the park. He stated that he ordered the paint for the project at a cost of \$1,800. He stated that he has a meeting this week with a painting company regarding painting the gazebo. Mr. Eby also reported that the spring rider has been ordered. Director Geaslen requested to have extra paint available in the event that painting over graffiti is needed.

Mr. Eby reviewed email correspondence from Tyler Lewis of Kimley-Horn regarding an evaluation of the current onsite fire suppression system for the Centre at Cypress Creek (“CCC”). He stated that the CCC engaged Kimley-Horn to determine modifications to their system which require a dedicated fire service connection to the campus from the District.

Mr. Eby next reviewed correspondence from GC dated August 8, 2019, as previously discussed in the meeting. He stated that the estimated capacity required for the development is 75,000 gallons per day. Mr. Eby stated that he needs to evaluate the request in conjunction with HP's request.

After discussion, Director Rhodes made a motion to approve the Engineering Report. Director Campbell seconded the motion, which carried unanimously.

### **WATER CONSERVATION MEETING**

The Board next discussed the annual Water Conservation Meeting to be held in conjunction with National Night Out on October 1, 2019. Director Theriot stated that she would like all Directors to attend. She noted that representatives from the Harris County Sheriff's Department, Harris County Flood Control District and HCCO will attend the event.

### **BOOKKEEPING REPORT**

The Board next considered the Bookkeeper's Report. Ms. Redden reviewed the Bookkeeping Report (**Exhibit I**), including the checks presented for payment. After discussion, Director Rhodes made a motion to approve the Bookkeeper's Report, including the checks presented for payment. Director Campbell seconded the motion, which carried unanimously.

The Board next considered adoption of the operating budget for the fiscal year ending September 30, 2020 (**Exhibit J**). After discussion, Director Theriot made a motion to approve the budget, as presented. Director Garner seconded the motion, which carried unanimously.

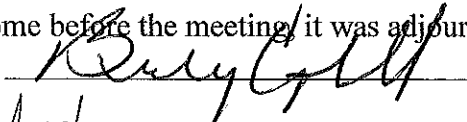
The Board then discussed the timing of payments from the Federal Emergency Management Agency ("FEMA"). Mr. Thiry reported that EDP has regular meetings with the FEMA project manager.

### **ITEMS FOR FUTURE AGENDAS**

The Board next considered matters for possible placement on future agendas.

### **ADJOURNMENT OF BOARD MEETING**

There being no further business to come before the meeting, it was adjourned.

  
Asst. Secretary, Board of Directors

**LIST OF EXHIBITS**

September 3, 2019

- Exhibit A Patrol Report
- Exhibit B Proposals for Garbage Collection and Recycling
- Exhibit C Correspondence from GC Multi-Family Development, LLC
- Exhibit D Tax Assessor-Collector's Report
- Exhibit E Delinquent Tax Report
- Exhibit F 2019 Tax Rate Recommendation
- Exhibit G Operations and Maintenance Report
- Exhibit H Engineering Report
- Exhibit I Bookkeeping Report
- Exhibit J Draft Budget